

EXHIBIT 2



101 CALIFORNIA STREET SUITE 3800 SAN FRANCISCO, CA 94111
T 415.653.3750 F 415.653.3755 www.Venable.com

July 3, 2024

David L. Feinberg
t 202.344.8278
f 202.344.4000
DLFeinberg@Venable.com

Via E-mail

Marisa Perales, Esq.
Perales, Allmon & Ice, P.C.
1206 San Antonio St.
Austin, Texas 78701
marisa@txenvirolaw.com

Re: SaveRGV's June 4, 2024 Notice of Intent to Sue Letter

Dear Ms. Perales:

I have received your client SaveRGV's June 4, 2024, letter to our client Space Exploration Technologies, Corp. ("SpaceX") regarding operation of a deluge water system at the Boca Chica launch site. SpaceX reviewed your letter carefully and believes it was written without the benefit of some important information about the nature of the deluge water system and the permit covering its use. I write to provide that information and correct some misunderstandings underlying your letter. We are hopeful that after you review this information you will agree that SaveRGV's lawsuit is unnecessary and if pursued would be unsuccessful. To facilitate SaveRGV's understanding, SpaceX would be pleased to discuss this matter with you and SaveRGV in person on a mutually agreeable date and time. Please let me know whether SaveRGV would like to meet and on what dates and times it is available.

1. The deluge water system

The deluge water system is critical equipment for SpaceX's launch operations. The system ensures flight safety and protects the launch site and surrounding area. It applies clean, potable water to the engine exhaust during static fire tests and launches to absorb the heat and vibration from the rocket engines firing. Similar equipment has long been used at launch sites across the United States – such as Kennedy Space Center and Cape Canaveral Space Force Stations in Florida, and Vandenberg Space Force Base in California – and across the globe.

SaveRGV's letter mistakenly assumes that the deluge water system here discharges "industrial wastewater," like water used to clean manufacturing machinery. In fact, the deluge system uses potable water purchased from the Brownsville Public Utilities Board that is the same water that residents drink. The deluge system's operations do not use this potable water in any manufacturing or processing.



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SaveRGV's letter contains several other factual misunderstandings about the deluge system: First, the system uses much less water than your letter describes. SpaceX uses 180,000 gallons of potable water per use, not 358,000 gallons. Second, as explained in more detail below, the limited volume of deluge water that is not evaporated or captured in SpaceX's containment basins is dispersed within 20-30' of the launch pad on SpaceX's property, not the 0.6 miles that your letter claims.

Also as further explained below, the deluge water is continuously monitored. Testing of deluge water samples by an accredited laboratory has repeatedly shown that the deluge water complies with and is well below all effluent limitations under the Texas Pollutant Discharge Elimination System Multi Sector General Permit ("Texas MSGP").

2. The Texas MSGP covers the deluge water system.

SaveRGV's letter assumes that SpaceX neither applied for nor received a Clean Water Act permit for the deluge water system. That is not the case. SpaceX lawfully operates the system under the Texas MSGP (attached as **Exhibit A**).¹ The Texas Commission on Environmental Quality's ("TCEQ") website shows that SpaceX is covered by the Texas MSGP and has been since July 2023. *See Exhibit B* (screenshot of TCEQ website).²

Section 6.A of the Texas MSGP covers the discharges of the deluge water system. Section 6.A. covers non-stormwater discharges of "potable water," "uncontaminated water used for dust suppression," and/or "discharges from emergency firefighting activities." Ex. A, Texas MSGP at 83. As the Texas MSGP "Fact Sheet" explains, these types of "discharges that may occur during normal operations of an industrial facility or a commercial facility . . . do not require additional permit coverage." **Exhibit C** at 9.³

The deluge water is discharged at specified outfalls that SpaceX disclosed to TCEQ would be used for this type of discharge. In accordance with the Texas MSGP, the SpaceX Stormwater Pollution Prevention Plan ("SWPPP") identifies Outfalls 003, 004, 005, 010, and 011 as the pertinent outfalls for the "approved non-stormwater discharge (deluge water used for dust and fire suppression) when the deluge system at the Orbital stand is used." TCEQ's website confirms that these outfalls are covered by the Texas MSGP. **Exhibit B**.

¹ See <https://www.tceq.texas.gov/downloads/permitting/stormwater/general/multi-sector/txr050000-2021.pdf>.

² See https://www2.tceq.texas.gov/wq_dpa/index.cfm?fuseaction=home.permit_list_by_permit&permit_number=TXR05GD61. The permittee identifier number assigned to the "Starbase Launch Pad Site" is Permit Number TXR05GD61, which has been "Active" with TCEQ since July 12, 2023.

³ Available at <https://www.tceq.texas.gov/downloads/permitting/stormwater/general/multi-sector/2021-msgp-fact-sheet.pdf>.



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For each use of the system, SpaceX samples the deluge water, sends it to an accredited laboratory for testing, and then provides the test results to TCEQ and other agencies, including the Federal Aviation Administration (“FAA”) and U.S. Fish & Wildlife Service (“FWS”). The testing has shown that the deluge water complies with and is well below the Texas MSGP’s effluent limits. TCEQ has expressed no concerns that the system failed to meet the Texas MSGP.

SpaceX continues to coordinate closely with TCEQ, EPA, and other agencies on Clean Water Act compliance. While the deluge water system discharges of potable water are fully covered by the Texas MSGP, SpaceX is also in the process of obtaining an individual permit that would authorize the deluge system’s use of recycled water. SpaceX expects the individual permit to issue within the next ten months.

3. Other agencies have also evaluated the deluge water system and found that it helps mitigate impacts from launches and protect the surrounding area.

The FAA and FWS have also authorized the deluge waster system and found that its use does not present any significant environmental effects. The FAA first evaluated the use of a deluge system in its 2022 Programmatic Environmental Assessment (“PEA”) for the Starship-Super Heavy Program.⁴ The FAA found the system would help suppress fire and would not cause significant impacts. PEA at 112-13, 115. The FAA again evaluated the deluge system and approved its use after the April 2023 launch in a November 15, 2023 Written Re-evaluation (“November 2023 WR”).⁵ The FAA again found that deluge water discharges would not significantly impact any resources and would suppress fire, dust, and debris. November 2023 WR at 2-3, 5, 11, 22-23, 35.

The U.S. Fish and Wildlife Service (“FWS”) also reviewed the effects of the deluge system in its November 2023 Biological and Conference Opinion Addendum (“2023 BCO”).⁶ FWS found that use of the deluge system could cause flushing and avoidance behavior that could decrease the risk of harm to species during launches. 2022 BCO at 18. FWS further found that the deluge system could benefit listed species by suppressing dust and dampening noise and vibrations from launch operations, and thus reducing any possible stress or disruption to wildlife during launches. *Id.* at 14, 18.

⁴ Available at https://www.faa.gov/sites/faa.gov/files/2022-06/PEA_for_SpaceX_Starship_Super_Heavy_at_Boca_Chica_FINAL.pdf.

⁵ Available at <https://www.faa.gov/media/72816>.

⁶ Available at <https://www.faa.gov/media/72826>.



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Conclusion

In sum, the deluge water system is fully permitted, and its use is environmentally beneficial during launch and static fire operations. SpaceX is committed to good stewardship of the environment and takes its obligations under Clean Water Act and other laws very seriously.

We trust that this information clears up the misunderstandings that appear to have led to SaveRGV's notice of intent to sue letter. Any lawsuit would waste the parties' resources and fail because the deluge water discharges are permitted. If forced to litigate, SpaceX will pursue all available remedies, including by seeking to recover its attorney's fees as a substantially prevailing party, as the Clean Water Act allows. *See* 33 U.S.C. § 1365(d).

Again, SpaceX would be pleased to meet SaveRGV to discuss this matter in person. We would propose that the discussion be held under settlement privilege and kept confidential and inadmissible. To the extent that this response does not directly address anything else in SaveRGV's letter, please do not construe the response as agreement with any of SaveRGV's positions or assertions. We would welcome discussion of those topics at an in-person meeting. Please let me know if SaveRGV would like to meet and on what dates and times it is available.

Finally, please let me know if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Feinberg", with a stylized flourish at the end.

David Feinberg
VENABLE LLP
600 Massachusetts Avenue NW
Washington, DC 20001
202.344.8278
dlfeinberg@venable.com

Tyler Welti
VENABLE LLP
101 California Street, Suite 3800
San Francisco, CA 94111



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415.653.3714
415.653.3755 (fax)
tgwelti@venable.com

Enclosures

CC: Sheila McCorkle (SpaceX)
Chris Cardaci (SpaceX)
Rebecca Cutri-Kohart (SpaceX)
Alan Vaughn (EPA)
Tucker Henson (EPA)
Roberto Bernier (EPA)
Bryant Smalley (EPA)